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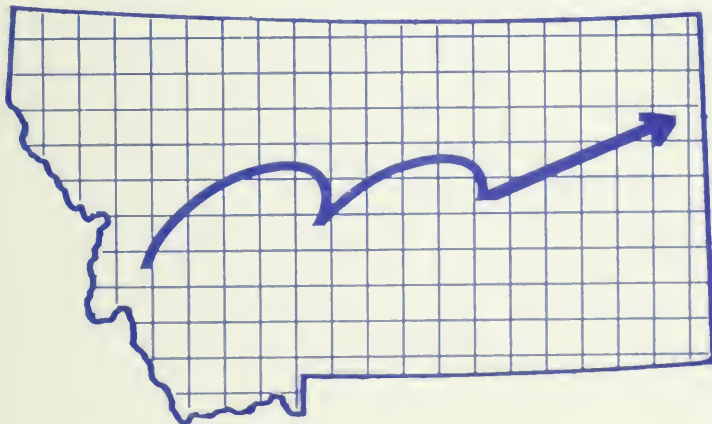
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A GUIDE TO MONTANA'S ECONOMIC DEVELOPMENT AND BUSINESS DEVELOPMENT PROGRAMS

MONTANA DEPARTMENT OF COMMERCE

REVISED JANUARY, 1990



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A Guide to Montana's economic development



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A GUIDE TO MONTANA'S ECONOMIC DEVELOPMENT
AND
BUSINESS DEVELOPMENT PROGRAMS

Revised January 1990

MONTANA DEPARTMENT OF COMMERCE
Business Development Division
1424 Ninth Avenue
Helena, MT 59620

The following is a compendium of economic development programs provided by the State of Montana and other agencies in Montana. General information about these programs may be obtained by contacting:

Business Development Division
Department of Commerce
1424 Ninth Avenue
Helena, Montana 59620
(406) 444-3923

More specific information is available from the contact person identified with each program.

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DEPARTMENT OF COMMERCE

DIRECTOR'S OFFICE

The Director of the Department of Commerce is responsible for the overall management of the department, which includes:

- Aeronautics Division
 - Airport/Airways
 - Safety & Education
- Business Development Division
- Business Regulation Division
 - Building Codes
 - Milk Control
 - Professional and Occupational Licensing
 - Weights and Measures
- Financial Institutions Division
- Housing Division
- Investment Division
- Local Government Assistance Division
 - Community Development
 - Local Government Services
 - Section 8 Housing
- Montana Health Facilities Authority
- Montana Promotion Division
- Montana Science and Technology Alliance
- Montana State Lottery
- Transportation Division
 - Intermodal Commodities
 - Passenger

The Management Services Division, Office of Research and Information Services, Board of Horse Racing, Coordinator of Indian Affairs, and the Legal and Consumer Affairs Unit are also attached to the Director's Office. In addition, the Director chairs the State Banking Board in accordance with the statutory requirements, and serves as Secretary of the Montana Ambassadors.

Contact: Michael L. Letson, Director
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3797

BUSINESS DEVELOPMENT DIVISION

The Business Development Division of the Department of Commerce provides services that constitute the direct technical assistance component of Montana's economic development effort, including consulting, training, and information in the areas of finance, marketing, export, data management, government contracting, local development, and business licensing. The Business Development Division incorporates the Small Business Development Center (SBDC) program, a cooperative project jointly funded by the Montana Department of Commerce and the U.S. Small Business Administration. The Division's SBDC offices are located throughout the state (Helena, Glendive, Kalispell and Bozeman) to provide consulting and training to small businesses in the subjects mentioned above.

Publications

Karen Elliott

444-3923

The division publishes and distributes the Montana Exporters Guide (\$6.00), Montana Consumer Products Buyers Directory, the Montana Manufacturers Directory (\$20.00/floppy disk, \$20.00/printed copy), and the Business Planning Guide (\$10.00).

Business Information System (BIS)

On-line Electronic Bulletin Board

David Elenbaas

444-4780

The Small Business Development Center's (SBDC) Business Information System (BIS) is an electronic bulletin board, accessible free of charge to anyone with a personal computer communications software and modem. The BIS posts a great variety of economic, demographic and business data, including state government bid solicitations, export trade opportunity leads from the U.S. Department of Commerce, and population, income and employment statistics for Montana cities and counties. BIS Data Line: 444-4457; BIS Voice Line: 444-2463.

CDBG Economic Development Program

Gary Morehouse

444-2787

The Division administers Community Development Block Grant funding for economic development projects. This federally-funded competitive grant program awards approximately \$1.3 million annually to Montana cities, towns and counties, for re-lending by the local government to private business projects. Applications are made to the Division by the local government sponsoring the project; projects are selected for funding based on a number of criteria, including project feasibility, economic impact, and job creation for low to moderate income persons.

Certified Communities Program

Jerry Tavegia

444-4378

This is a statewide economic development effort designed to educate and stimulate local development organizations including economic development corporations and Chambers of Commerce to exercise optimal influence over their economic environment. The long-term objective of the Certified Communities program is to establish an active network of local development organizations statewide that will respond professionally and consistently to local economic development concerns and opportunities. The network of Certified Communities receive out-of-state location inquiries forwarded by the State Commerce Department, and serve as the initial intake mechanism for referral of new business clients to the state's Small Business Development Center. (See listing of "Certified Communities.")

Finance Technical Assistance

Delrene Rasmussen

444-4153

Jim Burns

444-4127

Gary Faulkner

444-4780

Rod Jorgensen

387-3113 (SBDC - Bozeman)

Daniel Manning

752-5222 (SBDC - Kalispell)

Consulting and training are available to businesses in the areas of financial analysis, financial planning, loan packaging, industrial revenue bonding, state and private capital sources, and business tax incentives. The program also is designed to work with communities, businesses and financial institutions to encourage the use of various public sector programs, including Community Development Block Grants (CDBG), Economic Development Administration (EDA) loans and grants, Small Business Administration (SBA) loan guarantees, the Montana Board of Investments' (BOI) in-state investment funds, Montana Science and Technology Alliance (MSTA), and the Montana Growth Through Agriculture program.

Government Procurement Assistance

Gary Faulkner

444-4780

The division disseminates current government procurement information to small businesses interested in contracting to provide goods or services to state and federal government agencies. It also provides technical assistance, either directly or through cooperating university system units, to assist small businesses in market identification, production management, quality control, cost accounting, and payment procedures for government procurement contracting.

International Trade

John Maloney 444-4780
Matthew Cohn 444-4112 (Pacific Rim only)

This program is designed to increase the international sales of Montana manufacturers and service providers. In addition, tourism promotion and reverse investment opportunities are pursued by the international trade staff. One-stop technical assistance to businesses wishing to enter foreign markets is available. Trade shows and foreign buyers are matched to exporters, and special training programs are conducted throughout the year to prepare more firms for export activity. The division maintains a product showroom in the Taipei World Trade Center on Taiwan and a Pacific Rim Trade Offices in Japan.

Licensing Information and Business Advocacy

Becky Baumann 444-4109 800-221-8015 (in-state)

The division distributes information concerning the state licensing requirements for starting and operating a business and provides assistance to businesses in applying for licenses and permits. The division also serves as an advocate for small businesses in their dealings with government. An in-state toll-free telephone number is available for licensing and advocacy information; calls cannot be transferred to other departments of government.

Location and Business Recruitment

Rick Jones 444-4323

The Business Location programs publicizes and advertises Montana to firms planning relocations or expansions. The program initiates and develops relations with target industries and individual firms, and prepares and presents location data in response to inquiries received by the department. The program also works closely with local development organizations in their efforts to locate new firms to their communities.

Marketing Assistance and Montana Product Promotion

Gene Marcille 444-4392
Jim Burns 444-4127
Gary Mariegard 365-2377 (SBDC-Glendive)

Marketing staff members work with individual small business and trade associations to develop and expand outlets for products manufactured or processed in Montana. Products of Montana manufacturers are represented at selected trade shows both in the United States and foreign countries.

The Montana Product Promotion program is designed to elevate the status of Montana-made products in the marketplace. The program also serves to educate Montanans about the diversity of products manufactured in their state. As part of this program, a full-color "Made in Montana" logo is available to manufacturers of products that have a minimum of 50% of their value added in Montana. The department operates an extensive public awareness campaign utilizing television, newspaper, outdoor, and radio advertising to encourage Montanans to "Look for the Label."

Montana Ambassadors

Becky Baumann

444-4109

In response to a private sector recommendation, the state has implemented an "Ambassador" program to complement the department's business location, retention, marketing, and Montana promotion efforts. The program is made up of approximately 200 business and university leaders from throughout the state. Members make calls on out-of-state business executives and tour operators to familiarize them with Montana as a place to do business and as a travel destination. Additionally, Ambassadors work with Montana manufacturers to help them market their products outside the state, and they assist the state in hosting foreign visitors and trade delegations. The program is funded by its members and staffed by the Department of Commerce.

Small Business Development Center (SBDC)

Evan McKinney

444-4780

Business Assistance
Manager

Daniel Manning

752-5222

Management Training &
Finance, Kalispell

Rod Jorgensen

587-3113

Finance Officer,
Bozeman

Gary Mariegard

365-2377

Marketing Officer,
Glendive

With headquarters at the Department of Commerce in Helena, and with sub-centers at Dawson Community College in Glendive, Flathead Valley Community College in Kalispell, and Gallatin Development Corporation in Bozeman, the SBDC acts as the outreach arm of the Division, providing counseling and training to businesses in the areas of finance, marketing, data management and government contracting. SBDC officers are "circuit riders" traveling the state to bring direct technical assistance to small businesses in their own communities. The SBDC program is jointly funded by the Montana Department of Commerce and the U.S. Small Business Administration.

INVESTMENT DIVISION (BOI)

The Montana Board of Investments may purchase debt or equity investments at market rates as permitted by the Prudent Expert Principle. The board actively purchases qualified Montana Mortgages (both residential and commercial) from approved seller/servicers, buys the guaranteed portion of SBA loans and FmHA loans from Montana financial institutions, and purchases certificates of deposit from qualified Montana financial institutions.

Contact: James R. Penner, Investment Officer
Board of Investments
Capitol Station
Helena, MT 59620
(406) 442-1970

Development Finance Programs

The 1982 Legislature, as a result of Initiative 95, authorized a series of programs designed to help small businesses obtain attractive capital financing. These programs are administered by the Board of Investments, Office of Development Finance (the Board). Each program operates with different eligibility criteria under state or federal law, but the primary focus of all programs is to increase availability of long-term, fixed rate financing to small Montana businesses.

Coal Tax Loan Programs

The Board is a development agency, not a bank or venture capital company. Its responsibility is to strengthen and diversify the state's economy through prudent investments in qualifying Montana businesses. The Board has limited financial resources and looks for those loan projects which have the greatest potential for creating employment opportunities for Montanans and for providing other long-term benefits to the state's economy. The Board's programs are designed to assist businesses by making available to them long-term, fixed rate financing at competitive interest rates for a variety of needs.

Loans are made only through approved Montana financial institutions, which include state or federally-chartered banks, savings and loan associations, credit unions, development credit corporations, investment companies, trust companies, savings institutions, and qualified Montana capital companies. A complete list of approved financial institutions is available from the Board's office.

The Board is authorized by law to establish the types of loans that it will administer. The rules adopted by the Board provide several methods for making loans to Montana businesses, which are briefly summarized below. Detailed descriptions of each loan program, rules, application forms, and information on fees and

the application process are available from approved financial institutions or from the Board's office in Helena.

Eligibility Requirements

Coal tax loans are limited by state statute and by the rules adopted by the Board of Investments in businesses that will have a "long-term benefit to the Montana economy." The Board has determined that:

- * Investment in loans to businesses that will strengthen the Montana economy, that have the potential to maintain and create jobs, or that increase per capita income or future tax revenues to the people of Montana, either directly or indirectly, will meet the objectives of 17-6-304, MCA.
- * In considering whether an applicant will maintain and create jobs, the Board will consider whether the applicant's proposed endeavor will displace existing jobs of competing Montana businesses.
- * Loans to any governmental entity or non-profit corporation will not be funded under this program.
- * At the time an application for financing is submitted the financial institution submitting the application shall certify that the loan for which financing is sought has not been classified in the most recent examination report of the financial institution.
- * While a minimum or maximum loan limit has not been established, loans of \$500,000 to \$3 million will be targeted.

Federally Guaranteed Loan Program

Through the BOI Federally Guaranteed Loan Program, financial institutions that have secured a federal guarantee on a fixed-rate loan to a business that is eligible for Board investment may sell the federally guaranteed portion of the loan to the BOI at a pre-established rate. The most common use of this program will be for loans guaranteed by the SBA; however, the Board has purchased FmHA, FAA and BIA guarantees. The purpose of this program is to establish an active secondary market for fixed-rate federally guaranteed loans in Montana; to allow approved financial institutions the opportunity to provide their commercial customers fixed-rate financing at a lower rate than was previously possible; and to increase local lending capacities when loan demand is high. Generally, the Board will only consider purchasing the guaranteed portion of loans originated for the purpose of using this program.

Businesses must meet the eligibility requirements for BOI financing, and most types of business loans that are eligible for a federal agency's guarantee may be funded indirectly through this program. This generally includes the purchase of land, buildings, equipment, machinery, building expansion or repair, inventory, or funds for working capital.

Economic Development Linked Deposit Program

Through this program, the BOI will place a long-term deposit with an approved financial institution on the condition that the financial institution use the proceeds of the deposit to finance a corresponding fixed-rate loan to a specific borrower that is eligible for BOI investments. The deposit must be secured by state collateral and pledging requirements. The rate to the borrower on the supported loan will be "linked" to the return to the Board on its deposit; and although the BOI assumes no risk on the underlying business project, the financial institution is assured of a specific "spread" on its funds for the duration of the loan. In other words, this program removes the market risk to the financial institution in making a fixed-rate loan.

Funds from Economic Development Linked Deposits may be used by financial institutions to make loans for working capital, interim construction, inventory, site development, acquisition of machinery, equipment and buildings.

Business Loan Participation Program

The BOI Business Loan Participation Program, which may be used to finance commercial, multi-family, or SBA 504 loans, is designed to allow approved Montana financial institutions the opportunity to "sell" up to 80 percent of an eligible business loan to the Board of Investments. The Board, in essence, then owns a participation interest in both the financing and the security of an approved commercial loan that is serviced by the originating financial institution. Funds will be targeted to long-term fixed-rate loans that have the potential to positively benefit economic development within our state. Through this program originating financial institutions, will benefit by "leveraging" available funds beyond imposed lending limits, by receiving a relatively high yield on the financial institution's share of the loan, and by affording their commercial customers access to financing at terms that were previously unavailable. Borrowers that utilize this program will also benefit by receiving long-term funds at an attractive rate of interest.

SBA 504 Loan Participation Program

The Board may fund a portion of a project financed under the SBA 504 Program by purchasing from an originating lender up to 80% of the lender's first mortgage loan amount. All terms and rates are the same as under the Business Loan Participation Program.

As of April 30, 1989, the BOI had funded 148 Coal Tax Loans, in the amount of \$48.5 million. Loans have been used by trucking firms, lumber companies, tourism attraction and facilities operators, cherry growers, food processors, plastics manufacturers, dairies, furniture manufacturers, specialized tool manufacturers, and others. Of the total loan portfolio, 53% was in manufacturing, 14% in services, 7% in transportation, 28% in agriculture/forestry/fisheries, and the remainder scattered among other industry classifications.

Industrial Development Bond Programs

The Board of Investments also issues tax-exempt industrial development bonds (IDBs) to fund loans to Montana businesses for the acquisition of land, buildings or equipment. All loans must meet federal eligibility requirements and primarily provide long-term, fixed-rate financing. After December 31, 1986, only manufacturing projects are eligible through September, 1990.

Stand Alone Industrial Development Bond Program

A borrower who can assume responsibility for funding its projects can have the Board issue Industrial Development Bonds (IDBs) under the "Stand-Alone" program. A borrower typically has three alternative ways to accomplish funding through IDBs: direct access to the bond market through the market's recognition of financial strength of the borrower, a bank letter of credit which the bond market recognizes and accepts, or a tax-exempt loan through a bank (no public bond offering necessary). The Board serves only as the legal issuer of the bonds and assumes no responsibility for funding the loan.

Project costs to be funded with IDB proceeds can be incurred only after the interest. Current sunset provisions also apply.

Montana Capital Companies

The Board also administers the Montana Capital Company Act, which is designed to make private venture or equity capital available within the state. Through the program, the state offers a 50% tax credit incentive (up to \$150,000) to investors in qualified Montana Capital Companies, which in turn must invest these funds in small, basic Montana firms. The capital companies must be certified and qualified by the Board. Available tax credits are limited to \$8 million through 1991, and are allocated to capital companies in order that they become "qualified" and have actual investors. As of June 1, 1989, eight firms had been designated as "certified and qualified" Montana Capital Companies while four firms had completed the "certification" stage and were in the process of raising at least \$200,000 in equity capital to become "qualified" for tax credits.

For further information about any of the Board's programs, please contact:

Robert M. Pancich, Assistant Investment Officer
Board of Investments
Office of Development Finance
Capitol Station
Helena, MT 59620-0125

MONTANA HEALTH FACILITY AUTHORITY

The Montana Health Facility Authority (MHFA), created by the 1982 Legislature, is a bonding authority whose sole purpose is health care cost containment. To accomplish its mission, through the issuance of revenue bonds or notes, it provides financing or refinancing for projects consisting of construction, renovation, or equipment purchases, for public or private non-profit health care programs. The MHFA loans its bond proceeds to participating health care facilities at interest rates below those of taxable commercial lending institutions, substantially containing the costs expended by the participants. In many instances, however, the commercial lending institutions are included in the financing to provide credit enhancement. The MHFA notes and bonds, which are neither general nor moral obligations of the state, may be issued to a single entity, or to several participating health care facilities. The MHFA offers its tax-exempt status to assist eligible facilities to issue tax-exempt bonds or notes, although taxable obligations can also be structured through the MHFA, with the MHFA as issuers.

Contact: Jerry R. Hoover, Administrator
Montana Health Facility Authority
1520 East Sixth Avenue - Room 50
Helena, MT 59620
(406) 444-5435

MONTANA PROMOTION DIVISION

The Promotion Division is responsible for promoting the State of Montana as a travel destination for both summer and winter vacationers. Utilizing the State's "Master Marketing Plan", the division strives to increase the frequency of visitations by nonresident tourists and travelers. The division works closely with the private sector (airlines, ski areas, innkeepers, outfitters, etc.) to increase the dimensions of its tourism-related efforts. In addition, the division promotes group travel and markets Montana as a location for the film and television industries.

Consumer Travel Promotion

This section of the Montana Promotion Division is responsible for the promotion of the state to individual consumers. Consumer Travel Promotions includes four different but related functions: publications, advertising, exhibiting, and publicity. Each year, up to 12 full-color publications explaining and illustrating the Montana vacation product are published by division personnel. In addition, the staff creates, designs and oversees the production for all paid advertising and advertising campaigns. Consumer travel personnel also are responsible for generating publicity about Montana and for exhibiting at consumer trade shows.

Group Travel Promotion

Group Travel is responsible for initiating and maintaining productive contact with meeting planners and the travel trade. Personnel advertise in specific and various ways to attract national and international tour groups and conventions to Montana. A "Group Tour Planning Guide" is published regularly and sent to group tour operators. Staff members attend travel trade shows, makes sales calls and conduct familiarization tours for tour operators and travel agents. Group Travel targets its markets to include Canada and western and mid-western states for winter and summer group tours.

Motion Picture and Television Promotion

Staff involved in film and TV promotion act as a liaison for studios and production companies interested in filming motion pictures and commercials in Montana. In addition to scouting locations and negotiating permits, personnel go on location with film crews to serve as consultants and to provide technical expertise and other location-related assistance. Staff also publish a "Motion Picture and Television Location Manual", which is sent to interested parties, including location scouts, producers and directors.

Regional Marketing Program

This program oversees the distribution of 25% of the accommodations tax and provides assistance with marketing to tourism regions and eligible cities within the state as mandated by the 1987 Legislature in HB 84.

Contact: Sandra Guedes, Administrator
Montana Promotion Division
Department of commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-2654

OFFICE OF RESEARCH AND INFORMATION SERVICES

The Office of Research and Information services (ORIS) serves economic development efforts of the department and the general economic community of Montana by providing a central and accessible source of information and by conducting analyses of economic activity in the state. The office maintains a special library, monitors and analyzes the Montana economy, provides staff and research support to special councils, conducts specific economic analysis projects, distributes economic, demographic and business information, maintains and presents information on the department's economic development programs, and provides services for the department director. Through such activities, the office seeks to provide proper information to public and private entities for economic development planning, to implement state economic development services for existing industries, and to deliver accurate information to people interested in locating or expanding their business activities in the state.

A report entitled Economic Conditions in Montana is prepared for each session of the Legislature and is available for 1988. This report contains information on the statewide economy as well as data on 12 sub-state regions.

Contact: Sandy Courtnage, Administrator
Office of Research and Information Services
Montana Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3814

Census and Economic Information Center

The Census and Economic Information Center (CEIC) is the central storehouse for demographic and economic information available for local, state and federal government, the business community, education institutions and the public. The center is Montana's primary contact with the U.S. Census Bureau. The CEIC prepares County Profiles, which include data on health, education, housing and other economic statistics on Montana's counties.

Contact: Patricia Roberts, Program Manager
Census and Economic Information Center
Montana Department of Commerce
1424 Ninth avenue
Helena, MT 59620
(406) 444-2896

TRANSPORTATION DIVISION

The Transportation Division provides analytical and financial assistance to freight and passenger transportation users statewide. The Division furnishes unique address of transportation issues and problems, and takes pride in finding lasting solutions for local governments, transportation providers, and users.

Intermodal Commodities Bureau (ICB)

The ICB provides several services for state transportation planning and economic development. They are broken down as follows:

Local Rail Service Assistance

Federal and state legislation authorize and direct the state to prepare a State Rail Plan. In this planning document, state rail policy is defined. Segments of rail systems within the state are evaluated, and federal assistance projects are identified. Financial assistance for eligible projects includes limited grants and low-interest loans to rail or rail-related industry for track plant rehabilitation, acquisition or new construction.

Short-Line Assistance Program

The Division has acquired railroad property and through lease, operating and purchase option agreement, provides for short-line rail service in areas where abandonment was a certainty. In addition to ownership assistance, the Division provides technical help in organizing and operating small railroads.

Special Projects

The Transportation Division conducts research and prepares special studies pertaining to timely transportation issues. These issues often concern grain movement, rail abandonment impacts, trucking, maritime transportation, rail passenger transportation and other related subjects. An additional responsibility is to monitor transportation-related legislation.

Intermodal Comparison Program

As transportation technology grows nationwide, Montana is reaching out to capitalize in applications of state-of-the-art methods. Inland ports, shipments, free trade zones, TOFC-COFC and double stacks are all part of our statewide transportation promotion.

Projects to develop facilities for this technology are underway within the state. Statewide industry transportation needs are monitored for all modes resulting in policy and project recommendations.

Contact: Patricia Saindon, Administrator
Transportation Division
Department of Commerce
1424 Ninth Avenue
Helena, MT 59620
(406) 444-3423

AERONAUTICS DIVISION

The Aeronautics Division of the Department of Commerce administers a program of low-interest loans for various airport improvement projects. The 7.109% loans, matched by similar federal airport improvement grants, are available to any Montana tax-levying body -- cities, counties, airport authorities, etc. - for a maximum loan period of eight years.

Contact: Mike Ferguson, Administrator
Aeronautics Division
Department of Commerce
2630 Airport Road, Box 5178
Helena, MT 59620
(406) 444-2506

LOCAL GOVERNMENT ASSISTANCE DIVISION

The primary functions of the Local Government Assistance Division are to provide technical and financial assistance to units of local government; to insure local political subdivisions' financial compliance; to grant and administer Federal housing, economic development and public works funds; and to provide administrative support to the Montana Coal Board and the Montana Hard Rock Mining Impact Board.

Community Technical Assistance Program (CTAP)

As required by state law, the CTAP offers the following five services:

- * Provides technical assistance in three areas (community planning, land development, public works financing) to local government officials, planning boards, development groups and the private sector.
- * Provides guidance on land surveying laws and procedures.
- * Administers the County Land Planning Grant Program (See separate listing in this booklet).
- * Provides assistance to applicants for Community Development Block Grants.
- * Assists the Governor's office with community development problems of statewide impact.

CTAP staff receive and respond to over 500 requests per year from clients for one-on-one technical assistance. For example, staff have helped many community groups, cities, and counties to locate and package grants and loans for infrastructure projects such as senior citizen centers, water systems, parks, community centers, etc. A custom grant and loan computer database was developed by CTAP to assist Montanans in locating public works grants and other financing. Also, staff routinely assist planners, developers, surveyors and attorneys with land development and surveying problems. Workshops, custom publications, and special projects are other methods used to assist CTAP clients.

Hard-Rock Mining Impact Board

The Hard-Rock Mining Impact Act of 1981 requires the developer of a proposed, large-scale, metalliferous mine to prepare a plan that identified the project's anticipated impacts on local government services, facilities, revenues and expenditures. The impact plan is to include a schedule specifying when and how the developer will meet any net increase in local government costs that are expected as a result of the mineral development. The Hard-Rock Mining Impact Board is to facilitate the overall implementation of the Act and resolve, through a formal hearing process, any differences between the developer and the affected local governments concerning the impact plan. The Board is also authorized to administer grant programs dealing with the community and economic impacts of mine or smelter closures.

Community Development Block Grant (CDBG) Program

The Montana Community Development Block Grant (CDBG) Program is a federally funded competitive grant program which awards approximately \$5 million annually to Montana cities, towns, and counties to assist them with serious community needs. All projects must be designed to principally benefit low and moderate income persons or families.

Local projects address needs in three basic categories: economic development, housing, and public facilities. The grant competition for housing and public facility projects is conducted annually in the Fall. The grant competitions for economic development applications are continuous.

As of July 1, 1989, grants totalling over \$40,000,000 have been awarded to counties and municipalities from the HUD allocations to Montana for federal fiscal years 1982 through 1988.

County Land Planning Grant Program

This program is derived from the Montana coal severance tax. One half of one percent (.50%) of the total coal tax revenue is allocated to the CLPF. County governments receive CLPF. The funds then may be distributed by the counties to local planning boards (including city planning boards).

The funds are to be used for "land planning purposes." Basically, this means that the funds are to be used for local land use planning -- operation of planning boards, preparation of community comprehensive plans; administration of subdivision, zoning, lake shore, and floodplain regulations; and special plans or programs. Special plans or programs include downtown redevelopment, economic development, capital improvements planning, rural addressing systems, and natural resource inventories.

Local Impact Assistance Program

The Local Impact Assistance Program was initiated in 1975 by legislative action and is administered by the Montana Coal Board.

The Montana Coal Board awards grants and loans to local governmental units which have been required to expand the provision of public services as a consequence of large-scale development of coal mines and coal-using energy complexes. Funding is derived from the Montana coal severance tax. The Coal Board has awarded 198 grants of over \$60 million to local governmental units based on need, severity of coal impact, availability of funds, and degree of local effort in matching funds.

Contact: Newell B. Anderson, Administrator
Local Government Assistance Division
Montana Department of Commerce
Cogswell Building, Room C-211
Helena, MT 59620
(406) 444-3757

Section 8 Housing Assistance

A) Section 8 Existing Housing

This program is operated by the Department of Commerce under a contract with the U.S. Department of Housing and Urban Development. The basic purpose of the program is to provide rental assistance on behalf of lower-income families and the elderly in existing rental units that are decent, safe, and sanitary.

This program is operated on a first-come, first-served basis statewide and because the number of HUD-authorized units for subsidy is less than the demand, there is an extensive waiting list. In all instances the applicant, once certified, is responsible for finding a rental unit that meets HUD standards, and the rental subsidies are made to the property owner on behalf of the tenant. Payments are based on unit rent and an established portion (30%) of the tenant's adjusted gross income. Nearly \$40 million has been managed by the state for this program since 1978.

B) Section 8 Moderate Rehabilitation

This program also is operated under a contract between the Department of Commerce and HUD. It provides grants for upgrading of rental units in Montana.

Fifteen-year contracts are signed with developer-owners of rehabilitated rental units, and subsidies are provided on behalf of all eligible families who rent the units. Unlike the Existing Housing Program, the subsidy stays with the unit and is not transferred to other units when subsidized families move. Nearly \$7 million has been managed by the state for this program.

Contact: Jack Vaughn, Bureau Chief
Section 8 Housing Bureau
Montana Department of Commerce
805 North Main
Helena, MT 59620
(406) 444-2804

District Court Reimbursement Program

District Court Reimbursement funds the state assumption of certain expenses associated with criminal proceedings in district courts. The reimbursements are made to county governments only. The general definition of eligible expenses for state assumption includes: a portion of the salaries of court reports; transcripts of proceedings; witness and juror fees; indigent defense; and psychiatric examinations. Funding for these expenses is limited to the funds appropriated to the program by the legislature. Any reimbursable costs incurred by county governments for district court operations which exceed the appropriated ceilings for each fiscal year are the responsibility of the county.

Contact: James M. Courtney, Program Manager
Accounting and Management Systems
Montana Department of Commerce
805 North Main
Helena, MT 59620
(406) 444-3010

MONTANA SCIENCE AND TECHNOLOGY ALLIANCE

Introduction

The Montana Science and Technology Alliance's purpose is to provide a source of financing for technology-based, entrepreneurial development to revitalize Montana industries and encourage new ones. While the staff is responsible for reviewing investment opportunities, final investment authority rests with the nine-member Montana Board of Science and Technology Development appointed by the Governor. The Alliance operates two

financing programs: the Seed Capital Financing Program and the Research and Development Financing Program.

Seed Capital Financing Program

The Alliance's seed capital financing program gives priority to companies which incorporate advanced or innovative technologies, include plans for full commercialization and address one or more of the Alliance's target technologies. The Alliance has five-year management authority over \$7.5 million of the In-State Investment Fund, a portion of the Coal Severance Tax Trust, to capitalize the seed capital financing program.

The money is used to participate in financing new and expanding technology-based businesses in Montana that the board determines meet its investment criteria. These are companies which cannot be financed through conventional debt by banks due to the need for working capital and the lack of collateralizable assets but which hold realistic promise for rapid and significant growth.

All financings are structured as loans with the interest rate set at a level that provides a significant return to the Alliance. The Alliance may loan up to \$350,000 in a single round of financing and up to a total of \$750,000 to one company over multiple financing rounds. All seed capital program loans require a 100% co-investment from private sources. The Alliance looks to provide "venture capital" style financings through a mechanism that can be flexible enough to forego short term repayment requirements and that provide the Alliance with high return-on-investment potential. Through the careful investment practices of the seed capital program, the Alliance seeks to realize sufficient returns-on-investment from its seed capital portfolio companies to generate a reasonable return to the Montana In-State Investment Fund.

Research and Development Financing Program: Centers for Excellence Program

The Alliance's research and development financing program assists in the accelerated development of technology in the state by providing a source of funds to research organizations in Montana for projects which have outstanding technological and commercial potential for development in Montana. This program is funded for the 1991 biennium through appropriated funds.

In order to bring a greater focus to its research and development activities and to emphasize particular research emphases which have exemplary potential for economic diversification and commercial development in Montana, the Alliance initiated its centers of excellence program. The Alliance looks to reserve its funds available research and development for the continuation of the centers program.

The three technology centers funded include the Biotechnology Center focused at the University of Montana, the Advanced Materials Center focused at Montana State University and the Advanced Minerals and Hazardous Waste Processing Center at the Montana College of Mineral Science and Technology. Also included in the centers program is the Entrepreneurial Center which is a cooperative effort of the University of Montana, Montana State University and Eastern Montana College. The centers program has great potential to build Montana's applied research infrastructure and to stimulate the flow of commercial opportunities for the Alliance and other investors.

Conclusion

The Alliance, through its seed capital financing program and research and development financing program, attempts to foster shared investments in promising projects involving innovative technologies. It is a process that is also designed to kindle the entrepreneurial spirit in Montana. If successful, the state's commitment to the future of its entrepreneurial economy will reap benefits for all Montanans.

Contact: Stephen D. Huntington
Executive Director
Montana Science and Technology Alliance
46 North Last Chance Gulch, Suite 2B
Helena, MT 59620
(406) 449-2778

OTHER STATE AGENCIES

AGRICULTURAL DEVELOPMENT

Agricultural Assistance Program

The Montana Agricultural Assistance Program was established to assist individual farmers and ranchers who are financially distressed by providing assistance and counseling to manage farm/ranch credit problems, to avoid or mitigate forced liquidation or farm bankruptcies and foreclosures, and to cope with the financial stress resulting from adverse agricultural conditions. Peer counseling, financial consulting and debt mediation assistance are available through this program for farmers/ranchers.

Contact: Michael E. Murphy, Administrator
Agricultural Development Division
Department of Agriculture
Sixth and Roberts
Helena, MT 59620
(406) 444-2402

Agricultural Finance Program

This program provides direct lower-interest rate financing to rural youth and rural youth organizations for junior livestock and other agricultural business loans. The program also provides for some small amount real estate, equipment or operating loans to young farmers/ranchers, and FmHA subordination loans for farm operating.

Contact: Lee Boyer, Program Manager
Agricultural Finance Program
Department of Agriculture
Sixth & Roberts
Helena, MT 59620
(406) 444-2402

Marketing Assistance

The Montana Department of Agriculture, Marketing Program provides market enhancement and development assistance to Montana's agricultural producers, agribusinesses, and value added processors. The marketing program seeks to develop and enhance domestic and foreign markets for Montana's agricultural products. Transportation and product movement through the state are also areas of focus and research assistance. Crop and livestock statistical reporting and grain movement data are summarized for market information purposes.

Contact: Moe Wosepka, Marketing Program Manager
Montana Department of Agriculture
Agricultural Development Division
Agricultural/Livestock Building
Capitol Station
Helena, MT 59620
(406) 444-2402

Montana Growth Through Agriculture Program

The Agriculture Development Council (attached to the Department of Agriculture for administrative purposes) manages a portion of the coal severance tax funds to strengthen and diversify the agricultural industry by investing in innovations in agricultural production, processing and marketing. Such investment aims at expanding business opportunities and creating new jobs. The Montana Growth Through Agriculture program allows the state to leverage coal tax funds with private capital to improve the agricultural business climate in Montana. The Council is authorized to fund the following activities: foreign and domestic market development activities, agricultural business incubators in towns of 15,000 population or less, agricultural technological research and transfer, seed capital loans for development and commercialization of new products and processes and foreign trade office activities.

Contact: Michael E. Murphy, Administrator
Montana Department of Agriculture
Agricultural Development Division
Agriculture/Livestock Building
Capitol Station
Helena, MT 59620
(406) 444-2402

MONTANA STATE UNIVERSITY EXTENSION SERVICE

Financed jointly by county, state and federal governments, this educational service provides Montana with current and reliable information pertaining to four major program areas: agriculture, home economics, 4-H in Youth and community development. The community development program includes economic development educational programs and materials on community economic analysis, goal setting, program planning, organization maintenance, economic development strategy selection, and small and home-based business management aimed at the needs of small and declining communities. The Service's 53 county offices serve as referral centers for businesspeople and community leaders seeking economic development and business management information.

The Extension Service coordinates a six-part series of workshops on starting or expanding a business. They also have video tapes available on community economic development strategies and small business management. The Extension Service is participating in a Western Regional Business Retention and Expansion project designed to help communities retain and expand the businesses they already have.

Contact: Dave Sharpe, Community Development Specialist
Cooperative Extension Service
409 Linfield Hall
Montana State University
Bozeman, MT 59717
(406) 994-5608

WATER DEVELOPMENT LOAN AND GRANT PROGRAMS

The Department of Natural Resources and Conservation administers a water development loan and grant program for local governments, state agencies, and private entities. The program is funded by the state's coal severance tax, which has historically provided about \$1.5 million biennially for grants, and two bonding authorities totaling \$260 million which fund the loan programs. The program makes loans and grants available for such diverse water development projects as dam and reservoir construction, streambank stabilization and erosion control, development of water conservation measures, and water and sewer projects.

Contact: Caralee Cheney, Chief
Water Development Bureau
Department of Natural Resources and Conservation
1520 East Sixth Avenue
Helena, MT 59620
(406) 444-6668

RECLAMATION AND DEVELOPMENT GRANT PROGRAM

The Department of Natural Resources and Conservation administers a state funded grant program established to indemnify Montanans for the effects of mineral development on public resources. It is designed primarily to fund projects that protect and restore the environment from damages resulting from mineral development and projects that meet other crucial state needs. Other projects may qualify, however, if they enhance Montana's economy or develop, promote, protect, or otherwise further Montana's total environment and public interest. Legislative approval for funding is required. The 1987 Legislature appropriated approximately \$2.9 million for projects.

Contact: Caralee Cheney, Chief
Water Development Bureau
Department of Natural Resources and Conservation
1520 East 6th Avenue
Helena, MT 59620
(406) 444-6668

VOCATIONAL TECHNICAL EDUCATION

Public secondary and post secondary vocational technical education programs are available throughout Montana for individuals of all ages who desire occupational skill development. These programs provide training and retraining to students who want to enter the job market with relevant basic skills, employees who want to maintain and upgrade their present skills, or people who want to learn different skills necessary for a desired career change. Programs in the areas of communication, business, marketing, agriculture, health, electronics, mechanics and food service are available for students on either a full-time or part-time basis. These programs are kept up-to-date through the close working relationship of instructors and administrators with business and industry representatives.

Contact: Jim Fitzpatrick, Executive Director
Montana Council on Vocational Education
Executive Management Building
1228 11th Avenue
Helena, MT 59620
(406) 444-2964

LABOR TRAINING PROGRAMS

Job Training Partnership Act

The Job Training Partnership Act (JTPA) was implemented October 1, 1983. Under JTPA, public and private sector representatives cooperate to develop and implement job training programs to meet Montana's special needs. The Act provides a framework whereby state and local programs can assist economically disadvantaged persons -- including youth, unskilled adults and dislocated workers -- to become productive members of the labor force.

Industrial Start-Up Training Program

The Industrial Start-Up Training Program, funded by the 1983 Legislature, is a broad-based job training effort for employees of new or expanding small businesses in Montana. Administered by the Department of Labor and Industry, the program is designed to minimize new employers' problems in obtaining a trained work force. Specifically, the department works with the employer to determine the required number of employees and their skill levels. The department then conducts labor availability surveys and recruits prospective employees by handling all the advertising, screening, testing, interviewing and training. The employer subsequently makes the final employee selection.

Contact: Job Service and Training Division
Department of Labor and Industry
P.O. Box 1728
Helena, MT 59620
(406) 444-4500

DISADVANTAGED BUSINESS ENTERPRISE AND WOMEN BUSINESS ENTERPRISE

The Montana Department of Highways maintains a Disadvantaged Business Enterprise and Women Business Enterprise (DBE/WBE) Office. The DBE/WBE Office is responsible for identifying, certifying, and monitoring DBE/WBE contractors in competitive bidding and in obtaining federal-aid highway construction contracts. This office also serves as an advocate for DBE/WBE businesses with other state agencies.

Contact: Richard T. Munger
DBE Program Specialist
Civil Rights Bureau
Montana Department of Highways
3701 Prospect Avenue
Helena, MT 59620
(406) 444-7609

STATE PURCHASING POLICIES

Small Business Procurement Set Asides

The Montana Small Business Purchasing Act of 1974, was enacted to ensure that a fair portion of state purchases and contracts for supplies and services is placed with small businesses. The Act, Section 18-5-301-308, MCA, allows each state agency to designate specific commodities, equipment or services as small business "set asides" when there is a reasonable expectation that bids will be obtained from at least three small businesses capable of furnishing the desired property or service at a fair and reasonable price. Services rendered by registered professionals (accountants, attorneys, architects, etc.) are prohibited from being designated as set asides.

Bidding Preferences

Section 18-1-102, MCA provides for a three percent (3%) bidding preference for "resident" Montana bidders when they bid on state contracts. This preference is awarded to vendors who meet the residency requirements detailed in Section 18-1-103, MCA. Effective October 1, 1987, Section 18-1-102 also provides for a five percent (5%) preference for vendors submitting bids for goods manufactured in Montana. To be eligible for a preference a vendor must have a completed bidder affidavit form on file with the Procurement and Printing Division or submit certification of the Montana Made status of goods with each submitted bid.

The Procurement and Printing Division is responsible for determining eligibility for residence based on information provided by each vendor. This information is collected on the Bidders Affidavit form as part of the registration process for being included on the central bidders list. Affidavit forms are available upon request.

Contact: Marvin Eicholtz, Administrator
Procurement & Printing Division
Department of Administration
Room 165, Mitchell Building
Capitol Station
Helena, MT 59620
(406) 444-2575

TAX INCENTIVES

Montana has implemented a number of business tax incentives. These incentives consist primarily of property and natural resource tax exemptions and reductions and individual income and corporation license tax credits and exemptions.

Property tax incentives include:

1. Property assessment reductions for new or expanding industries and for certain remodeling projects.
2. Property tax rate reductions for pollution control equipment and for qualified new industries and research and development firms.
3. Property tax exemptions for business inventories and freeport merchandise (merchandise produced outside Montana, which while in transit through the state is temporarily consigned to a Montana storage facility.)

General individual income and corporation license tax incentives include:

1. A wage credit for new or expanding manufacturing corporations producing a product new to Montana.
2. A five-year exemption from taxation for research and development firms organized to engage in business in Montana for the first time.
3. Exemptions for domestic international sales corporations (DISCs) and for investments in small business investment companies (SIBCs).
4. A credit for investing in a Montana capital company.

Natural resource related tax incentives include:

1. A phase-down of coal severance tax rates.
2. A reduced severance tax rate on new coal production for buyers of coal who have not previously purchased from Montana producers or who purchase more, on average, than they did from 1983-1984 or during 1986.
3. A 12 month net proceeds tax exemption and a 24 month severance tax exemption for new oil and gas production.
4. Reduced severance tax rates for oil and natural gas stripper well production.
5. A severance tax rate reduction for oil production from a tertiary project.

Other significant tax incentives include:

1. An individual income or corporation license tax credit for investing in wind powered electrical generating equipment.

2. An individual income or corporation license tax exemption for sellers of land to beginning farmers at less than 9% interest.
3. An individual income or corporation license tax deduction for expenditures on organic fertilizer produced and used in Montana.
4. Adjusted gross income for individual income tax does not include 40% of capital gains on the sale or exchange of capital assets before December 31, 1986.

Contact: Larry Finch, Chief
Research Bureau
Department of Revenue
Sam Mitchell Building, Room 419
Helena, MT 59620
(406) 444-2981

OTHER SERVICES

THE 49TH PARALLEL INSTITUTE

Established by Montana State University, the Institute provides liaison between the Governor, the Montana-Western Canadian Provinces Boundary Advisory Committee, and officials of the Canadian federal and provincial governments. The general purpose of the Institute is to improve U.S.-Canadian relations in the West. The Institute is engaged in projects aimed at strengthening cooperative mechanisms in the areas of trade, transboundary pollution, and cultural exchange and education. The Department of Commerce has contracted in the past with the Institute to produce a source book on Montana-Canada trade and investment relations and to jointly conduct state and federal workshops on international business with an emphasis on cross-border trade with Canada). The Institute has undertaken an analysis of the implications for Montana of a U.S.-Canada free trade agreement.

Contact: Mary Ellen Wolfe, Research Associate
49th Parallel Institute
1 - 156 Wilson Hall
Montana State University
Bozeman, MT 59717
(406) 994-6689

FLATHEAD VALLEY COMMUNITY COLLEGE

Small Business Center

The Small Business Center at Flathead Valley Community College helps build business futures on a foundation of learning and

houses the Northwest Montana Sub-Center for Montana's Small Business Development Center program. Services include:

- * information and assistance for small businesses
- * short courses, seminars and workshops
- * small business networks and referrals
- * contracting training for management and employees

Contact: Daniel M. Manning, Director
Small Business Center
Flathead Valley Community College
Number One First Street East
Kalispell, MT 59901
(406) 7522-5222

UNIVERSITY TECHNICAL ASSISTANCE PROGRAM

The University Technical Assistance Program (UTAP) at Montana State University was created to provide technical engineering and managerial assistance to those manufacturing companies in Montana that are not in a position to hire professional consultants. The goal of UTAP is to improve the health of Montana's businesses, thereby creating new jobs and improving Montana's economy.

The University Technical Assistance Program helps Montana through the transfer of technology to eligible companies. Assistance may take the following forms:

- * On-site analysis and consultation
- * In-house assistance for major problems
- * Technical training
- * Referrals
- * Technical publications
- * Production improvement
- * Methods analysis
- * Other manufacturing related problems

Short-Term Technical Assistance

The Staff of UTAP provides short-term assistance in the following areas:

- * Location analysis
- * Benefit/cost analysis
- * Systems approach to solving problems
- * Cost analysis and control
- * Computer systems needs analyses
- * Material and scrap control
- * Feasibility studies
- * Inventory analysis
- * Management studies
- * Office design assistance
- * Manufacturing design assistance

- * Production process design
- * Quality control/assurance
- * Equipment justification
- * Automation assistance
- * Productivity improvement
- * Methods analysis
- * Other manufacturing related problems

SBIR Funding

UTAP may be able to provide assistance in applying for Small Business Innovative Research (SBIR) funding from federal agencies. These funds are awarded competitively to qualifying small businesses capable of developing products needed by the agency.

Computerized Data Search

UTAP has access to over 400 national databases and 300 U.S. government laboratories and research centers through its affiliation with the NASA Industrial Application Center at the University of Southern California. Using computer and phone links, UTAP can help businesses work with search specialists to find the latest published information on technical problems. Remote sensing and image processing services also can be obtained.

In cases where published information is unavailable, inquirers may receive assistance from researchers in U.S. laboratories. These experts have been identified by the Industrial Application Center and have agreed to discuss problems in their areas of interest.

The purpose of this network of cooperation among federal government, university technical centers, and industry is to transfer the technology from NASA and other government laboratories to boost industry's competitive edge. Cost recovery fees are assessed for this service.

Contact: William R. (Bob) Taylor, Ph.D
 University Technical Assistance Program
 402 Roberts Hall
 Montana State University
 Bozeman, MT 59717
 (406) 994-3812

ADVANCED TECHNOLOGY, INC.

Advanced Technology, Inc. is a wholly owned corporate subsidiary of the Montana State University Foundation. It was incorporated for the specific purpose of owning, managing and developing the Advanced Technology Park in Bozeman, Montana. The park is a 90-acre development, adjacent to the Montana State University

Campus, which make land and other amenities available for companies engaged in high technology research, development and light manufacturing.

Contact: Roger N. Flair, President
Advanced Technology, Inc.
1711 West College
Bozeman, MT 59715
(406) 587-4480

MONTANA RURAL TECHNICAL ASSISTANCE PROGRAM

The Montana Rural Technical Assistance Program was established in January 1983, to help local agencies in Montana improve their roads and bridges through the sharing of technical information and knowledge. By improving the dissemination of this information, the program promotes efficient use of these agencies' scarce resources. It is one of 44 such programs established in states across the country. The RTAP Transportation Center is located in the Department of Civil and Agricultural Engineering at Montana State University.

RTAP is funded by the Federal Highway Administration through the Montana Department of Highways; House Bill 359, which allocates a portion of Montana's gas tax revenues to the program; and Montana State University.

Contact: Alan Jackson
Department of Civil/Agricultural Engineering
Montana State University
Bozeman, MT 59717
(406) 994-6100

NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

The National Center for Appropriate Technology (NCAT) administers and operates the National Appropriate Technology Assistance Service (NATAS) under contract with the U.S. Department of Energy. NATAS can assist with such things as identifying sources of financing, licensing, marketing, business planning and business organization development. NATAS can also answer technical questions and help solve problems related to energy-conservation and renewable energy uses. For NATAS assistance, call 1-800-428-1718 in Montana, or write NATAS, P.P. Box 2525, Butte, MT 59702-2525.

NCAT also provides rural economic development services, as well as an agricultural service called Appropriate Technology Transfer for Rural AREas (ATTRA).

Contact: Diane Smith
National Center for Appropriate Technology
P.O. Box 3838
Butte, MT 59702
(406) 494-4572

RESEARCH CENTERS

Montana Bureau of Mines & Geology

The Bureau of Mines and Geology, part of the Montana College of Mineral Science and Technology, has a regular program to assist operators of small mines. The Bureau provides assistance to all who are looking for information on water availability, quality of groundwater, mines and minerals, and energy resources.

Contact: Dr. Edward T. Ruppel
Montana Bureau of Mines & Geology
West Park Street
Butte, MT 59701
(406) 496-4180

Research Center for Materials Processing

Recently created by the Montana Science and Technology Alliance, the Research Center for Materials Processing is an inter-university, multi-disciplinary entity dedicated to the discovery and application of new technology that will add value to agricultural, forest and mineral resources. The Center's primary focus will be a research program with these goals, but the program includes a public, industrial assistance component designed to aid economic development.

Contact: Dr. David L. Toppen
Vice President for Academic Affairs and Research
Montana Tech
Butte, MT 59701
(406) 496-4126

Center of Excellence in Advanced Minerals and Hazardous Waste Processing

Mandated to stimulate the development of new, and the application of existing technologies that deal with problems of minerals-related hazardous wastes, the Minerals/Hazardous Waste Processing Center (MHPC) funds cooperative projects between industry and academic researchers. A key focus of the Center's research operations is to add value to Montana's natural resources, and thus commercialization of processes developed here is encouraged.

Montana Tech Research Center

Located at Butte's Industrial Park, the Research Center provides space and facilities for pilot scale research and demonstration projects. Six research laboratories for collaborative efforts between industry and the college are currently being used by firms with mining, energy, and biotechnology emphases.

Montana Tech Patent Depository Center

The Montana Tech Library hosts a regional U.S. Patent Depository Center that is actively used by entrepreneurs and inventors from MONTANA, Wyoming, and the Dakotas, as well as Canada. Currently, assistance is available for patent searches and pursuing the patenting process; as the center grows, it will offer workshops and other forms of support to individual inventors, technological research companies, patent attorneys, and others.

Montana Tech Government Document Depository

As a designated partial depository for U.S. Government Documents, the Montana Tech Library provides the most current government agency documentation of specific agency regulations, research findings, and other legislative and executive actions relevant to the school's mission (generally, mining and minerals research). Both start-up companies, and established operations use these materials to assure compliance with government guidelines, and to maintain currency with nationally-based standards of technology development.

Contact: Dr. Thomas G. Wheeler
Director of Research and Graduate Studies
Montana Tech
Butte, MT 59701
(406) 496-4334

Institute for Biological & Chemical Process Analysis (IPA)

IPA was established by Montana State University to increase cooperation with private industry and government agencies in the overlapping areas of biology, chemistry and engineering. IPA conducts fundamental research, development, and testing for industry and government. IPA pursues projects that cross the traditional scientific disciplinary boundaries. Illustrative projects include: Biological reactor engineering, fouling and corrosion, energy production from biomass, microbial processes at surfaces, water and wastewater treatment, resource recovery, and natural aquatic processes. IPA offers a wide range of microbiological, biochemical and chemical analytical services related to water and wastewater treatment, natural aquatic ecosystems and biological reactor engineering. IPA also provides data processing, statistical analysis and computer programming expertise in support of sampling programs, process control and testing activities.

Contact: Dr. W.G. Characklis
Institute for Biological & Chemical Process Analysis
College of Engineering
409 Cobleigh Hall
Montana State University
Bozeman, MT 59717
(406) 994-4770

Research and Development Institute, Inc.

The Research and Development Institute is a nonprofit corporation, founded in 1980, to assist Montana State University and its faculty in fulfilling their research mission. It does this by obtaining funding from non-public sources to support general and specific research at the University; making grants in support of research projects; acquiring research equipment on a timely basis; and evaluating and providing for the patenting and commercialization of technologies resulting from University research.

Contact: Roger N. Flair, President
Research and Development Institute, Inc.
1711 West College
Bozeman, MT 59715
(406) 587-4479

Bureau of Business and Economic Research

The Bureau of Business and Economic Research is the research branch of the University of Montana's School of Business Administration. Located on the UM Campus at Missoula, the Bureau has pursued research in business and economics for more than 30 years.

The Bureau's purpose is to serve the general public, as well as business, labor, and government, by providing an understanding of the economic environment in which Montanans live and work. To meet this goal, the Bureau is regularly involved in a wide variety of activities including forecasting of state and local economic situations, forest product industry analysis, survey research, and data collection.

Contact: Paul E. Polzin
Bureau of Business and Economic Research
School of Business Administration
University of Montana
Missoula, MT 59812
(406) 243-5113

Montana Forest and Conservation Experiment Station (MFCES)

MFCES was established by the 1937 Montana legislature to conduct and disseminate research information about the state's forests and related resources (wildlife, range, water, and recreation).

The Station's Mission-oriented Research Program (MORP) focuses on the management of second-growth forests. Additional research on all aspects of natural resource management is supported by funds from grants, contracts, and cooperative agreements with private organizations and state and federal agencies.

Contact: Sidney Frissell, Director
Montana Forest & Conservation Experiment Station
University of Montana
Missoula, MT 59812
(406) 243-4494

Institute for Tourism and Recreation Research (ITRR)

The Institute was established in 1987, by the Montana University System Board of Regents to conduct the travel research mandated by the 1987 Legislature. The Institute is housed and administered by the Montana Forest and Conservation Experiment Station at the University of Montana School of Forestry. The Institute conducts research and continuing education programs in the areas of economic impact, marketing effectiveness, market development, visitor preferences and the supply of outdoor recreation opportunities.

Contact: Stephen F. McCall, Director
Institute for Tourism and Recreation Research
University of Montana
Missoula, MT 59812
(406) 243-4494

Western Montana College Tourism and Recreation Program

The tourism and recreation program of Western Montana College has been established to provide educational degree programs in tourism and recreation in support of the tourism and commercial recreation industry of Montana. The program also provides information resources in the form of library materials, professional workshops and seminars, extension course training and advisement assistance. The program is under the sponsorship of the Business and Technology Division of Western Montana College.

Contact: John W. Bailey
Assistant Professor of Tourism and Recreation
Western Montana College
710 South Atlantic
Dillon, MT 59725

The Wilderness Institute

The Institute is an information clearinghouse on Montana's wilderness resource maintaining a file collection on wilderness areas and wild rivers and several computerized databases. It sponsors educational programs, performs field studies and

conducts research. The Institute provides assistance to public and private organizations in evaluating the wilderness resource, measuring wilderness use and assessing the impacts of human on wilderness.

Contact: Bob Ream, Director or
Ken Wall, Assistant Director
The Wilderness Institute
School of Forestry
University of Montana
Missoula, MT 59812
(406) 243-5361

STORAGE FACILITIES

Port of Montana

The Port of Montana is a public port authority, operated by Butte-Silver Bow to facilitate intermodal transportation services to domestic and international shippers. Located at the I-90 (East-West) and I-15 (North-South) interstates junction, adjacent to two transcontinental railways provides direct forwarding capability. The newly completed rail Hub offers tofc/cofc handling, break bulk transloading and bulk storage facilities. Dry, refrigerated, bonded, and general storage with U.S. customs service, are available to shippers in 400,000 square feet of Port warehousing.

Contact: Brian Fladager, General Manager
Port of Montana
P.O. Box 3641
Butte, MT 59702

Great Falls Foreign Trade Zone

Located at the Great Falls International Airport near the Montana-Canadian border, the Great Falls Foreign Trade Zone offers special import/export, manufacturing and warehousing benefits to businesses requiring these services. Plans for the near future include the addition of custom brokerage services, transportation services, worldwide marketing and distribution services and facilities management capabilities.

Contact: Great Falls Foreign Trade Zone #88
P.O. Box 3324
Great Falls, MT 59403
(406) 761-5037

Northern Express Transportation Authority (NETA)

NETA is a relatively new public, non-profit inland port facility organized to promote economic development in the Toole County area adjacent to the Montana/Canada border. NETA works closely with transportation services provided by the Burlington Northern

Railroad, truck lines, warehouses and shippers, facilitating the shipper's access to the warehousing, transloading, and intermodal facilities available to Canadian and Pacific Northwest markets by rail, highway and ocean-going carriers. NETA and Toole County enjoy the benefits of Burlington Northern railroad operating a hub center in Shelby providing for intermodal services as well as full rail transportation throughout the country.

Contact: Mike Steele, Director
NETA, Inc.
301 1st Street South, Suite 3
Shelby, MT 59474
(406) 434-5315

Montana TradePort

Montana TradePort is a newly organized Port Authority, operating in conjunction with an economic development corporation. TradePort has no facilities at this time, but can provide the full range of port-related services on an as-needed basis.

Contact: Cal Cumin, Director
Montana TradePort
P.O. Box 35000
Billings, MT 59107
(406) 256-2703

U.S. SMALL BUSINESS ADMINISTRATION

Financial Assistance

Regular Loans

Most of the SBA's business loans are made by private lenders and then guaranteed by the Agency. There is no limit on the loan size, but SBA's maximum guarantee of \$750,000. SBA guarantees 90% on loans up to \$155,000 and 85% on loans exceeding \$155,000. The interest rate is set by the lender (although some limits are imposed by the SBA), and the term cannot exceed 25 years. Loans for working capital seldom exceed seven years. Although loans may be for any worthwhile purpose, the Agency prefers to be considered a fixed asset lender.

Special Loan Programs

1. Loan Development Company Loans (502 Programs): Loans are made to groups of local citizens whose aim is to improve the economy in their areas. Loan proceeds may be used by the development company to assist specific small businesses for the purpose of plant acquisition, land acquisition, land, machinery and equipment.
2. Certified Development Company Program (503 Corporation): The program's purpose is to help communities by stimulating

the growth and expansion of small businesses within a defined area of operation. Certified Development Companies are authorized to sell debentures pertaining to an identifiable small concern with SBA's 100% guarantee.

3. Disaster Assistance: When the President or the Administrator of the Small Business Administration declares a specific area to be a disaster area, Physical Damage Disaster Loans are available from the SBA. They are made to homeowners, renters and businesses to repair or replace damaged or destroyed homes, personal property and businesses.
4. Surety Bonds: SBA is authorized to guarantee to a qualified surety up to 90% of losses incurred under bid, payment or performance bonds issued to contractors on contracts valued up to \$1.25 million. The contract may be used for construction, supplies or services. (This program is administered by SBA's Denver, Colorado office.)

Business Development

SCORE and ACE (Service Corps of retired Executive and Active Corps of Executives)

These groups help small business managers or owners solve their operating problems through one-on-one counseling relationships.

Small Business Institutes (SBIs)

At each SBI (located on university and college campuses), senior and graduate students at schools of business administration, and their faculty advisors, provide on-site management counseling. Students are guided by the faculty advisor and SBA management assistance experts. They receive academic credit for their work.

Small Business Development Centers (SBDCs)

These centers draw from resources of local, state and federal government programs, the private sector and university facilities to provide managerial and technical help, research studies and other types of specialized assistance to small businesses. The Montana SBDC program is operated by the Business Development Division of the Montana Department of Commerce, with offices in Helena, Glendive, Kalispell and Bozeman.

International Trade Counseling and Training

SBA works closely with the U.S. Department of Commerce and other government agencies, and with private organizations to help develop programs to aid small firms in doing business abroad. Emphasis is placed on the practical application of successful exporting and importing procedures to small business.

Procurement Assistance

Federal Procurement specialists in SBA offices throughout the country counsel small businesses on how to prepare bids and obtain prime contracts and subcontracts, direct them to government agencies that buy the products or services the small firms supply, help them get their names placed on bidders' lists and assist in obtaining drawings and specifications for proposed purchases.

SBA:

- Helps federal agencies to direct government subcontracts to small businesses;
- Helps private contractors to direct federal contracts to small businesses;
- Refers qualified small businesses to federal prime contractors;
- Monitors the granting of federal contracts to small firms by federal agencies.

Contact: Jo Ann Labatto
U.S. Small Business Administration
2525 4th Avenue North
Billings, MT 59101
(406) 248-2801

DEVELOPMENT FINANCE ORGANIZATIONS

Montana Capital Companies

(Montana capital companies were discussed in the Board of Investments section of the Guide)

Dick Fossum
Development Corporation of Montana
P.O. Box 916
Helena, MT 59624
(406) 442-3850

Eldon Kuhns
Venture Capital Corporation of Montana
Securities Building
2708 1/2 1st Avenue North
Billings, MT 59101
(406) 256-1984

T.H. Thomas
Great Falls Capital Corporation
1200 25th Street South
Great Falls, MT 59405
(406) 761-3010

Robert G. Mullendore
First Montana Capital Corporation
310 West Spruce
Missoula, MT 59802
(406) 721-8300

Local Development Companies

Bitter Root Valley Development Corporation (BRVDC)

BRVDC is a for-profit, privately-funded corporation that assists in planning and other financing for business start-ups and expansions, especially in the light manufacturing and export sectors.

Contact: John J. Filz, President
Bitter Root Valley Development Corporation
P.O. Box 1117
Hamilton, MT 59840
(406) 363-5400

LOCAL ECONOMIC DEVELOPMENT ORGANIZATIONS

The following is a partial list of organizations whose primary purpose is to promote economic growth in their local areas. They are in the process of completing or have completed the Certified Communities program and are prepared to assist in business expansion or relocation.

Jackie Miller
Fort Peck Tribal Exec Board
P.O. Box 115
Poplar, MT 59255
768-5515, X321

Jim Davison, Exec Director
Anaconda Local Dev Corp
P.O. Box 842
Anaconda, MT 59711
563-5538

Dorothy Hammersmark, Sec
Sweet Grass County Opportunities
P.O. Box 1385
Big Timber, MT 59011
932-4441



Robin Weir
Choteau Cert Comm Organ
P.O. Box 511
Choteau, MT 59422
466-5849

Carol Pike, Exec Director
Columbia Falls Chamber of Comm
P.O. Box 312
Columbia Falls, MT 59912
892-2072

Butch Ott, Exec Director
Billings Chamber of Commerce
P.O. Box 31177
Billings, MT 59107-1177
245-4111

Dixie Swenson, Exec Director
Gallatin Development Corp
321 East Main, Suite 413
Bozeman, MT 59715
587-3113

Betty Little
Bridger Development Corp
P.O. Box 246
Bridger, MT 59014
662-3334

Evan Barrett, Exec Director
Butte Local Development Corp
P.O. Box 507
Butte, MT 59703
723-4349

George Fultz
Fort Benton Econ Dev Organ
P.O. Box 23
Fort Benton, MT 59442
622-3321

Judi Cech
Glasgow Chamber of Commerce
P.O. Box 832
Glasgow, MT 59230
228-2222

Gary Eastlund
Glendive Forward
P.O. Box 1202
Glendive, MT 59330
365-8313

Roger Young, President
Great Falls Area Cham of Comm
P.O. Box 2127
Great Falls, MT 59403
761-4434

DeNiece Baldwin, Ec Dev Comm
Hardin Cham of Comm & Ag
204 North Center Avenue
Hardin, MT 59034
665-1672

John Beaudry
Columbus Chamber of Commerce
Box 783
Columbus, MT 59019
322-4439

Joan Wiedeman
Cut Bank Chamber of Commerce
P.O. Box 1243
Cut Bank, MT 59427
873-4041

David Martin
Powell County Econ Dev Corp
P.O. Box 776
Deer Lodge, MT 59722
846-3680, X47

Chuck Swysgood
Beaverhead Development Corp
P.O. Box 1381
Dillon, MT 59725
683-2014

Kent Harris
Laurel Economic Dev Organ
P.O. Box 7
Laurel, MT 59044
628-7951

Belinda Waters
Heartland Econ Res Council
Lewistown/Fergus Cty Plng Dept
Fergus County Courthouse
Lewistown, MT 59457
538-9046

Janice Wood
Lincoln Cty Econ Dev Council
101 East Lincoln Blvd
Libby, MT 59923
293-3832

Rod Siring
Park County Econ Dev Corp
P.O. Box 606
Livingston, MT 59047
222-6120

Barbara Richard, Director
Phillips Cty Econ Growth Coun
P.O. Box 1365
Malta, MT 59538
654-2467

C.A. Buckley
Wheatland Cty Econ Dev Corp
P.O. Box 271
Harlowton, Mt 59036
632-4695

Tony Preite, Exec Director
Bear Paw Development Corp
P.O. Box 1549
Havre, MT 59501
265-9226

Rose Leavitt, President
Helena Area Econ Dev Corp
P.O. Box 221
Helena, MT 59601
442-6882

Nick Haren, Director
Kalispell Area Chamber of Comm.
15 Depot Loop
Kalispell, MT 59901
752-6166

Jay Wilson Preston
Central Lake Cty Comm Dev Corp
312 Main Street SW
Ronan, MT 59864
676-2751

Irene Gottfried
Shelby Development Corp
999 Second Street South
Shelby, MT 59474
434-2329

Lynnette Hintze
Greater Richland Cty Ec Dev Corp
123 West Main
Sidney, Mt 59270
482-4679

David Sanchez
Superior Area Cham of Comm
P.O. Box 483
Superior, MT 59872
822-4710

Nancy Ugrin, Exec Director
Econ Council of Cham of Comm
Miles City Area Cham of Comm
P.O. Box 730
Miles City, MT 59301
232-2890

Ronald L. Klaphake, Exec Dir
Missoula Econ Dev Corp
115 West Front Street
Missoula, MT 59802
728-3337

Joseph A. Menicucci, Exec Dir
Polson Comm Dev Agency
P.O. Box 758
Polson, MT 59860
883-5349

Art Maxwell
Red Lodge Area Cham of Comm
P.O. Box 988
Red Lodge, MT 59068
446-1718

Patrick Finnegan
Three Forks Econ Dev Council
P.O. Box 874
Three Forks, MT 59752
285-3840

Dalyce Flynn, Comm Chair
Broadwater County Dev Corp
699 Flynn Lane
Townsend, MT 59644
266-3612

Joe Astle
Whitefish Community Dev Corp
P.O. Box 1955
Whitefish, MT 59937
862-3502

Barbara Owens
Wolf Point Cham of Comm & Ag
P.O. Box 237
Wolf Point, MT 59201
653-2012

